

PART VI CRIME COVERAGE SECTION

A. Money and Securities

1. Property Covered:

Money and Securities inside the premises or outside the premises or in banking premises are covered under this **Agreement**.

2. Perils Insured:

The perils insured include theft, disappearance, destruction, burglary, and robbery.

3. Coverage Description:

This **Agreement** will indemnify **Members** for loss of and loss from:

- a. Damage to a safe, vault, cash register, cash box or cash drawer located inside the premises resulting directly from an actual or attempted theft of, or unlawful entry into a container of **Property** covered.
- b. **Money and Securities** outside the premises in the care and custody of a messenger.
- c. Loss of **Property** covered outside the premises in the care and custody of an armored vehicle company. However, the **Member** will be indemnified only for the amount of loss that the **Member** cannot recover under the **Member's** contract with the armored motor vehicle company and from any insurance or indemnity carried by or for the benefit of customers of the armored motor vehicle company.

4. Exclusions:

- a. In addition to the General Exclusions of this **Coverage Agreement**, there is no coverage under the Crime Coverage for loss or damage due to:
- b. **Money or Securities** after they have been transferred or surrendered to a person or place outside the premises based upon unauthorized instructions or as a result of a threat to do bodily harm or damage to any **Property**. But this exclusion does not apply to loss of covered **Property** while outside the premises or in banking premises or in the care and custody of a messenger if the **Member**:

- (i) Had no knowledge of any threat at the time the conveyance began; or
- (ii) Had knowledge of a threat at the time the conveyance began, but the loss was not related to the threat.
- (iii) Loss resulting from the giving or surrendering of **Property** in any exchange or purchase.
- (iv) Loss of **Property** in any **Money** operated device unless the amount of **Money** deposited in it is recorded by a continuous recording instrument in the device.

5. Additional Duties in the Event of Loss:

If a **Member** has reason to believe that any loss of or loss from damage to property involves a violation of law, the **Member** must notify the police.

6. Definitions that Apply to Money and Securities:

Banking premises means the interior of that portion of any building occupied by a banking institution or similar safe depository.

Burglary means the taking of **Property** from inside the premises by a person unlawfully entering or leaving the premises as evidenced by marks of forcible entry or exit.

Messenger means the **Member**, any of the **Member's** directors, officers, elected or appointed officials, trustees, volunteers or any employee while having care and custody of the **Property** outside the premises.

Robbery means the taking of **Property** from the care and custody of a person by one who has caused or threatened to cause that person bodily harm or by one who has committed an obviously unlawful act witnessed by that person.

Theft means any act of stealing.

B. Forgery or Alteration

1. Coverage Description.

The Pool will indemnify the **Member** for loss involving Covered Instruments resulting directly from the perils insured. Covered Instruments means checks, drafts, promissory notes, or similar written promises, orders or directions to pay a certain sum in **Money** that are made or drawn by or drawn upon by the **Member** or made or drawn by one acting as the **Member's** agent or that are purported to have been so made or drawn.

2. Perils Covered.

Forgery or alteration of, on or in any covered instrument.

3. Coverage Description.

The **Pool** will indemnify **Members** under this section for loss due to the **Member's** good faith acceptance of any United States or Canadian post office, express company or national or state (or Canadian) chartered bank money order that is not paid upon presentation to the issuer. The Pool will also indemnify **Members** for counterfeit United States or Canadian paper currency received in exchange for merchandise, **Money** or services or as part of a normal business transaction.

4. Additional Conditions:

- a. Mechanically reproduced facsimile signatures will be treated the same as handwritten signatures.
- b. For the purposes of this coverage section, the word Instrument has the same meaning as covered **Property**.
- c. The **Member** must include with proof of loss any instrument involved in that loss or, if that is not possible, an affidavit setting forth the amount and cause of loss.

C. Employee Dishonesty

1. Coverage Description.

The Pool will indemnify **Members** for the loss of or damage to business personal property, including **Money** and **Securities** owned or held by the **Member** or for which the **Member** is liable.

2. Perils Covered.

Direct loss of or damage to **Property** covered resulting from dishonest acts committed by any of the **Member's** employees, acting alone or in collusion with others, that occur within the period of insurance.

3. Faithful Performance.

The Pool will indemnify the **Member** under this Section for loss to **Property** covered through the failure of an employee to faithfully perform duties as prescribed by law or to account properly for all **Property** covered. Coverage

includes loss due to the inability of the employee to faithfully perform these duties because of a criminal act committed by someone other than an employee. However, loss resulting from the failure of any entity acting as depository for the **Member's Property** is excluded from coverage.

4. Definitions:

Dishonest acts means dishonest or fraudulent acts committed with the apparent intent to cause the **Member** to sustain loss or damage and to obtain financial benefit for the employee or for any other employee, person or organization. The financial benefit does not include salaries, commissions, bonuses, fees, profit sharing or other employee benefits.

5. Exclusions:

In addition to the General Exclusions of this **Coverage Agreement**, there is no coverage under the Crime Coverage for loss or damage due to:

- a. Damage where the only proof of the loss or amount of the loss is dependent upon an inventory or a profit and loss computation;
- b. Loss that is not discovered within one year after the end of the period of insurance;
- c. Legal expenses for any indirect loss.



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December 24, 2003

Sharon Sinople
GALLAGHER\A JMSRS (0HJ660)
THE GALLAGHER CENTRE
TWO PIERCE PLACE
ITASCA, IL 60143-3141

RE: UTAH ASSOCIATION OF COUNTIES INSURANCE MUTUAL
Commercial Crime Policy - CONDITIONAL BINDER
Form F-1697 (07/97)

Dear Sharon,

Travelers Casualty and Surety Company of America is pleased to conditionally bind coverage for **Commercial Crime Insurance**.

<u>Insuring Agreements</u>	<u>Limit of Insurance</u>	<u>Deductible</u>	<u>Premium</u>
Cvg Frm O - Public Emp. Dis. per Loss	\$850,000.00	\$150,000.00	
Cvg Frm B - Forgery Alterations	\$850,000.00	\$150,000.00	
Cvg Frm C1 - Money & Sec on Premises	\$150,000.00	\$150,000.00	
Cvg Frm C2 - Money & Sec - Messenger	\$150,000.00	\$150,000.00	
Cvg Frm F - Computer Fraud	\$850,000.00	\$150,000.00	
Total Premium			\$35,739.00

Policy Number: 104205797

Policy Period: January 01, 2004 to January 01, 2005

Endorsements (The titles & headings are for convenience only. Please refer to the policy and endorsements for a description of coverage):

IL-0266	02-87	UT Changes-Cancellation and Nonrenewal
CR-0121	04-97	Utah Changes
F-2693	10-01	Include Treasurer or Tax Collector
F-2717	10-03	Named Insured - Add/Delete
F-995	01-62	Named Insured Schedule
CR-1037	01-89	Add Schedule Excess Limit of Insurance for Specified Employees/Positions
CR-1044	12-93	Add Faithful Performance of Duty